

How do new things spread?

The diffusion of digital low-carbon innovations



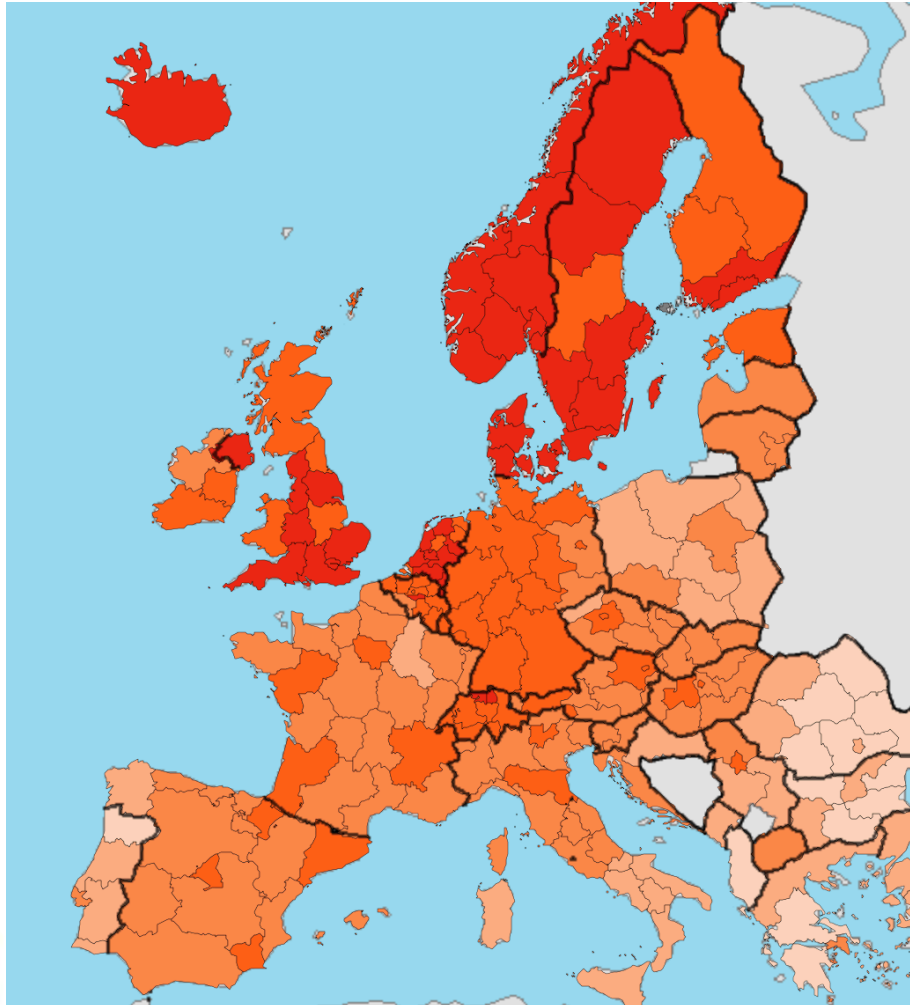
Oxford Energy Colloquium

November 2020

Charlie Wilson

silci.org

Life is digitalising.

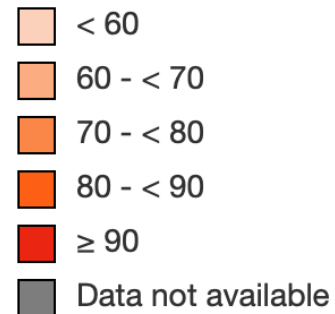


Eurostat Statistical Atlas (2020). Regional yearbook 2020.

9.1 Daily internet users during the three months preceding the survey, 2019

Daily internet users during the three months preceding the survey, 2019 (% of people aged 16-74 years, by NUTS 2 regions)

EU-27 = 77



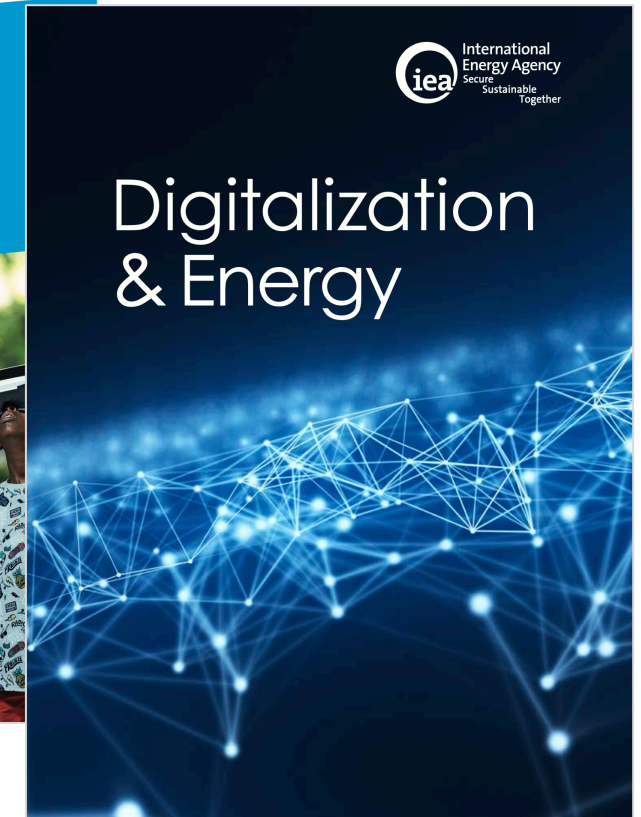
The Atlantic [www.theatlantic.com/photo/2018/11/smartphones-are-everywhere/575878/]

Overview of talk.

1. Potential climate benefits of digital consumer innovations
2. How new things spread
3. New evidence on the diffusion of digital low-carbon innovations
4. Implications

Climate impacts of digitalisation tend to focus on (1) supply & infrastructure, (2) employment.

... and are highly uncertain



Digital *consumer* innovations can potentially help reduce emissions in (at least) five ways.

(1) Shift from owning to **accessing**.



car clubs



ride-
sharing



shared
ride-hailing

Digital *consumer* innovations can potentially help reduce emissions in (at least) five ways.

(1) Shift from owning to **accessing**.

(2) Increase **utilisation** & reduce waste.



P2P car-
sharing



11th hour
apps



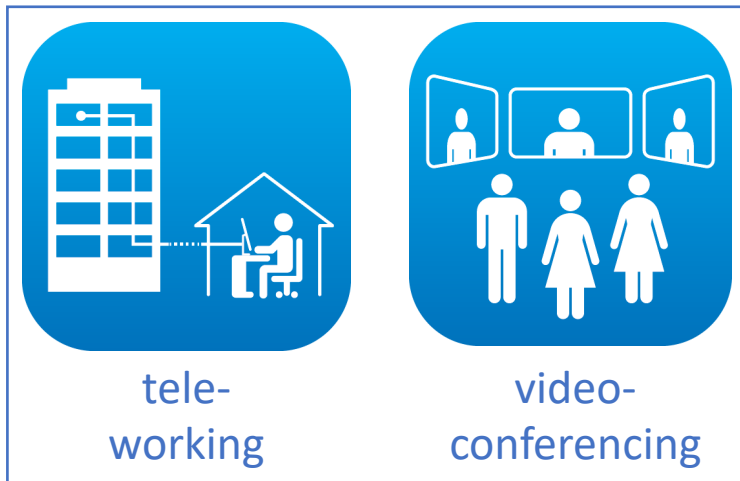
P2P
electricity

Digital *consumer* innovations can potentially help reduce emissions in (at least) five ways.

(1) Shift from owning to **accessing**.

(2) Increase **utilisation** & reduce waste.

(3) Substitute for physical **movement**.



digital food
hubs



meal kits

Digital *consumer* innovations can potentially help reduce emissions in (at least) five ways.

(1) Shift from owning to **accessing**.

(2) Increase **utilisation** & reduce waste.

(3) Substitute for physical **movement**.

(4) Improve **control** & management.
(+ electrification of end-use)



smart
heating



smart
lighting



electric
vehicles



e-bikes

Digital *consumer* innovations can potentially help reduce emissions in (at least) five ways.

(1) Shift from owning to **accessing**.

(2) Increase **utilisation** & reduce waste.

(3) Substitute for physical **movement**.

(4) Improve **control** & management.
(+ electrification of end-use)

(5) Improve **system performance**.



smart home
appliances



PV +
storage



electric
vehicle-to-grid

Digital innovations can also challenge mainstream consumption norms.



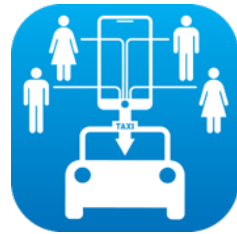
car clubs



P2P car-sharing



ride-sharing



shared ride-hailing



electric vehicles



e-bikes

driving fossil-fuelled cars
(with low occupancy)



digital food hubs



meal kits



11th hour apps

doing big
(meaty)
supermarket
food shops



smart heating



smart lighting



smart appliances



PV + storage



P2P electricity



electric vehicle-to-grid

using energy
however
whenever
(supplied centrally)

Overview of talk.

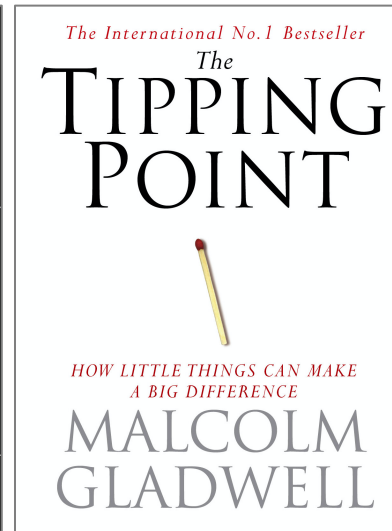
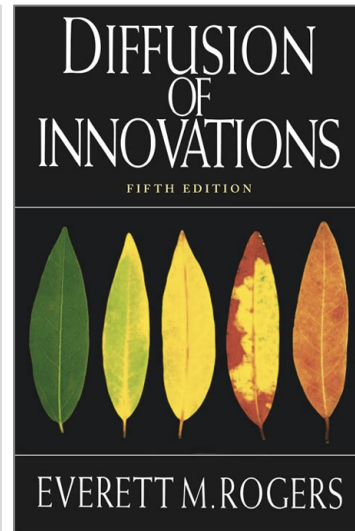
1. Potential climate benefits of digital consumer innovations
2. How new things spread
3. New evidence on the diffusion of digital low-carbon innovations
4. Implications

How do new things spread?

The diffusion of digital low-carbon innovations



greenbanana.wordpress.com



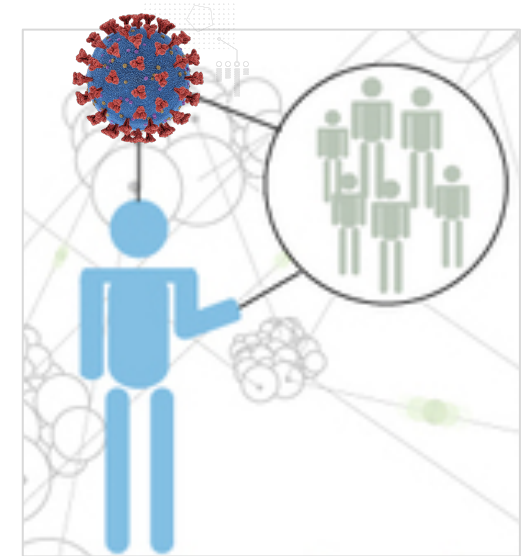
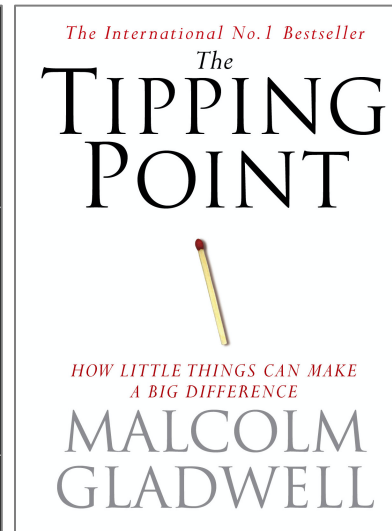
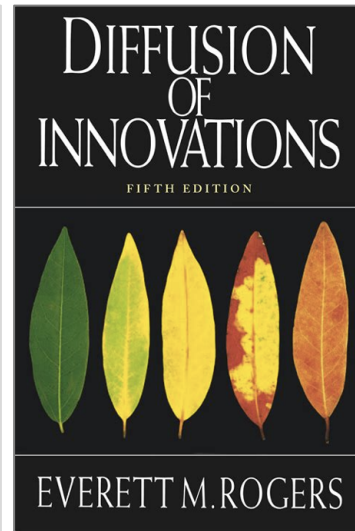
*Diffusion =
Communication over time
about an innovation
among members of a social system*

How do new things spread?

The diffusion of innovations ... and viruses

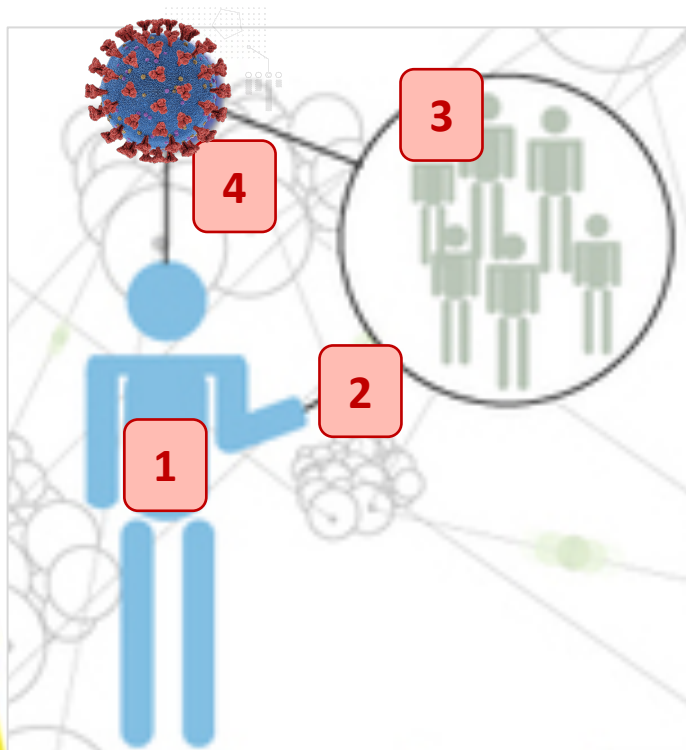


greenbanana.wordpress.com



e.g., Valente, T. W. (2010). *Social Networks and Health: Models, Methods, and Applications*. Oxford, UK, Oxford University Press.

Four key mechanisms of **virus transmission**



1 People are different (heterogeneity)

- varying susceptibility to infection or potential for spreading
e.g., age, profession, risk preferences & behaviours

2 Interpersonal transmission

- infection through social contact
e.g., talking, sneezing, touching

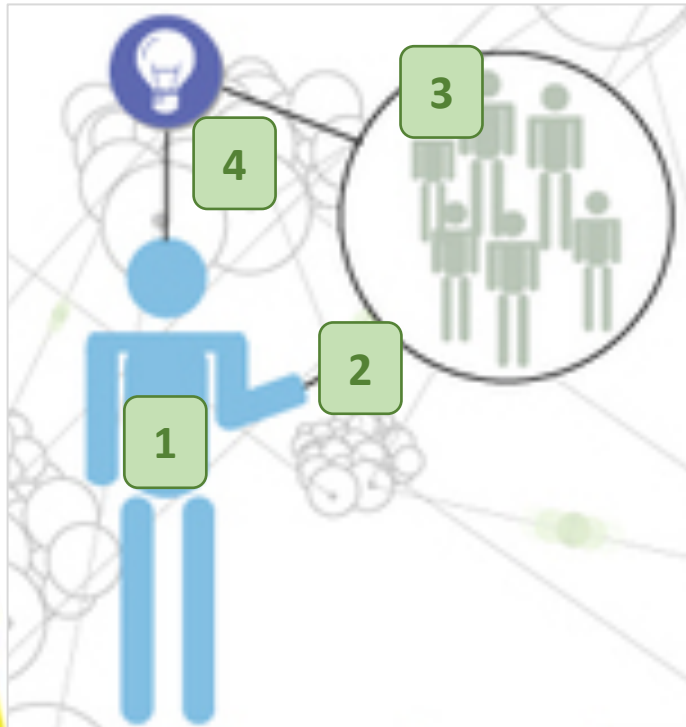
3 Social networks of interaction

- number, frequency and diversity of social interactions
e.g., travel & mixing

4 Attributes

- characteristics of virus (which make it infectious)
e.g., persistence, capacity to evade immune system

Four key mechanisms of innovation diffusion



1 People are different (heterogeneity)

- varying tolerance for uncertainty, personal situation
e.g., age, income, technophilia

2 Interpersonal transmission

- information exchange through social contact
e.g., word of mouth (WoM), peer effects

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- characteristics of innovation (which make it appealing)
e.g., ease of use, compatibility

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S I L C I
Social Influence and *disruptive* Low Carbon Innovations

Emilie, Emma, Laurie, Mark

deep (case study analysis)

early adopter surveys,
interviews, focus groups ...

Wave 1: Oct-Nov 2019

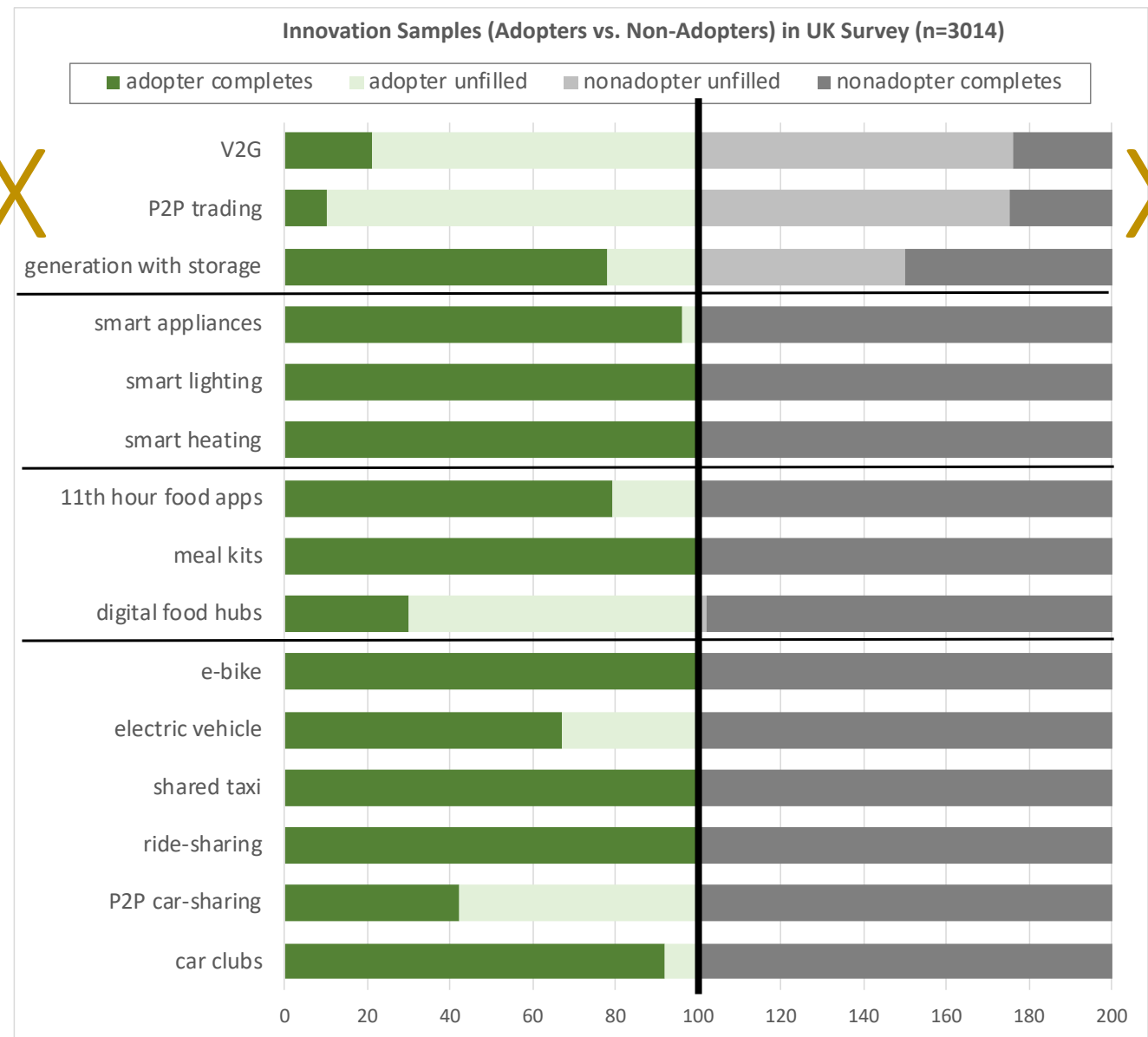
Wave 2: now!



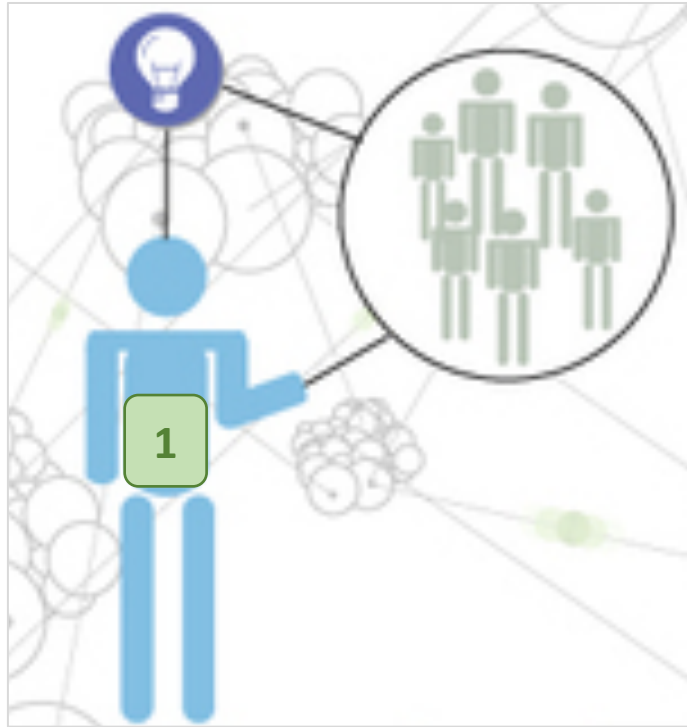
Sampling design:

quotas of
~100 adopters and
~100 non-adopters
per innovation

(UK sample, Oct 2019)



Four key mechanisms of innovation diffusion



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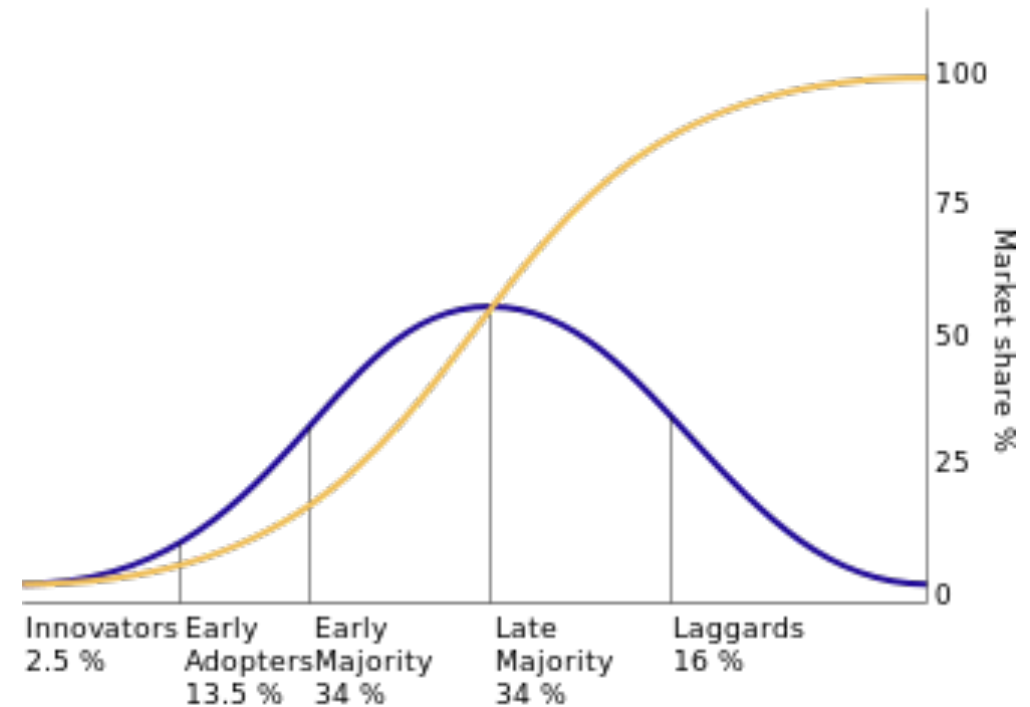
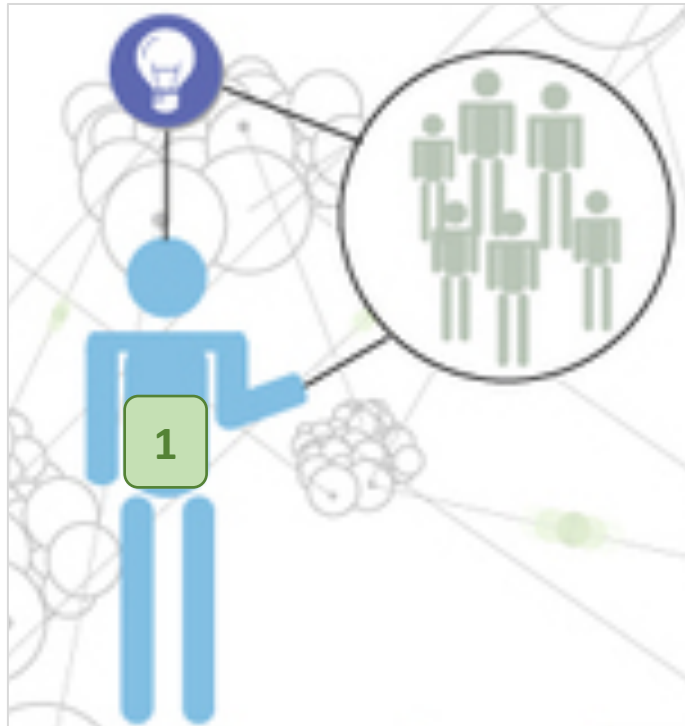
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e.g., ease of use, compatibility

Adoption propensity varies as a function of personal characteristics & risk preferences.



Models predicting adopters (vs. non-adopters) test for differences consistent across innovations.



CAR CLUBS



P2P CAR-SHARING



RIDE-SHARING



SHARED
RIDE-HAILING



EVS



E-BIKES



DIGITAL
FOOD
HUBS



MEAL KITS



11TH HOUR
APPS



SMART
HOMES



SMART
LIGHTING



SMART
HOME
APPLIANCES

Independent Variables

SOCIODEMOGRAPHICS CHARACTERISTICS

Gender (Female)	-
Age (Over 45)	0.40
Education (Degree)	3.00
Employment	4.01
Household Income (Low)	-
Household Finances (OK)	-
Household Size (Single)	-
Household Lifecycle (Schoolkids)	-

Logistic models:

Coefficients (odds ratios) > 1 = more likely in adopters

Coefficients (odds ratios) < 1 = less likely in adopters

>1 odds ratio p<.01

<1 odds ratio p<.01

>1 odds ratio p<.05

<1 odds ratio p<.05

>1 odds ratio p<.1

<1 odds ratio p<.1

Adopters differ from non-adopters in their sociodemographic characteristics.



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Household Size (Single)	-
Household Lifecycle (Schoolkids)	-

Adopters of car clubs are ...

younger, more educated, and more likely to be in employment

... compared to non-adopters

Adopters differ from non-adopters in their sociodemographic characteristics.



CAR CLUBS



P2P CAR-SHARING



RIDE-SHARING



SHARED RIDE-HAILING



EVS



E-BIKES



DIGITAL FOOD HUBS



MEAL KITS



11TH HOUR APPS



SMART HOMES



SMART LIGHTING



SMART HOME APPLIANCES

Independent Variables

SOCIODEMOGRAPHICS CHARACTERISTICS

Gender (Female)	-	-	-	-	0.50	-	-	-	-	-	-	-
Age (Over 45)	* 0.40	0.26	-	-	0.10	-	0.12	0.53	0.22	-	-	0.16
Education (Degree)	3.00	0.32	-	-	-	1.90	-	-	-	-	1.85	-
Employment	* 4.01	8.27	-	1.99	-	3.70	-	2.20	-	2.22	-	2.08
Household Income (Low)	* -	-	-	1.94	0.26	-	0.12	0.49	-	0.51	0.33	-
Household Finances (OK)	-	-	-	-	-	-	-	-	-	-	-	-
Household Size (Single)	* -	-	-	-	-	-	-	0.42	-	0.38	0.32	0.30
Household Lifecycle (Schoolkids)	-	2.73	-	-	-	-	-	-	-	-	-	-

Adopters of digital low-carbon innovations are ...

younger, more likely to be in employment, higher income, living in multi-person households

... compared to non-adopters

Adopters differ from non-adopters in their values, digital skills, and 'lifestyle' activities.



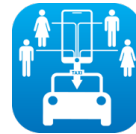
CAR CLUBS



P2P CAR-SHARING



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11TH HOUR
APPS



SMART
HOMES



SMART
LIGHTING



SMART
HOME
APPLIANCES

Independent Variables

OTHER ADOPTER CHARACTERISTICS

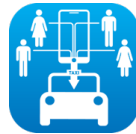
Values: Openness To Change (3 items)	2.08
Values: Self Transcendence (3 items)	-
Values: Self Enhancement (3 items)	-
Values: Traditional (3 items)	-
Digital Skills: Apps (4 items)	44.96
Environmental Lifestyle Activities (5 items)	-
Technological Lifestyle Activities (5 items)	1.71
Personality: Neuroticism (3 items)	-
Personality: Openness (3 items)	-
Personality: Extroversion (3 items)	-
Personality: Agreeableness (3 items)	-
Personality: Conscientiousness (3 items)	0.48

Adopters of car clubs are ...

open to change (values), digitally skillful, technologically active, unconscientious (personality)

... compared to non-adopters

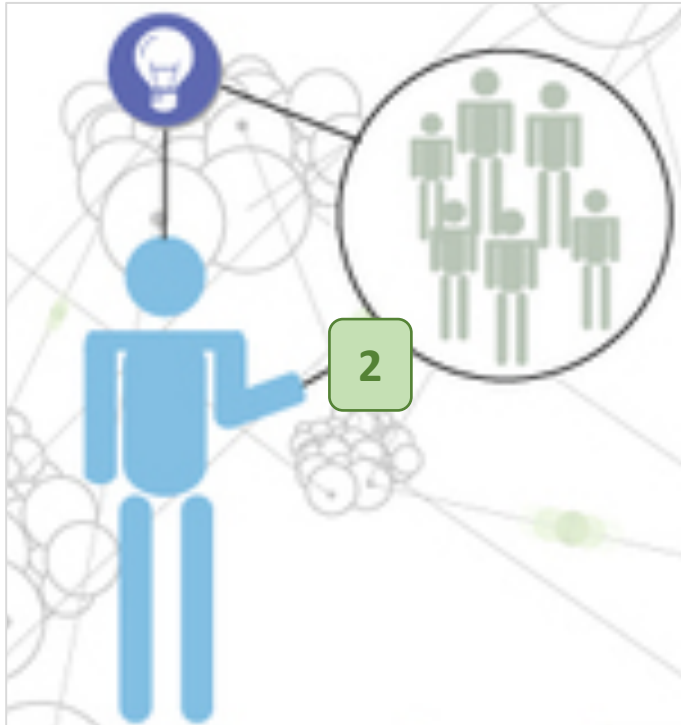
Adopters differ from non-adopters in their values, digital skills, and 'lifestyle' activities.



Independent Variables	CAR CLUBS	P2P CAR-SHARING	RIDE-SHARING	SHARED RIDE-HAILING	EVS	E-BIKES	DIGITAL FOOD HUBS	MEAL KITS	11TH HOUR APPS	SMART HOMES	SMART LIGHTING	SMART HOME APPLIANCES
OTHER ADOPTER CHARACTERISTICS												
Values: Openness To Change (3 items)	2.08	-	-	-	-	1.97	-	1.61	-	-	-	-
Values: Self Transcendence (3 items)	-	-	-	-	-	-	-	0.62	-	-	-	-
Values: Self Enhancement (3 items)	-	1.69	-	-	-	-	-	1.58	-	-	-	-
Values: Traditional (3 items)	-	-	-	-	0.58	-	-	-	0.62	-	1.64	-
Digital Skills: Apps	* 44.96	14.59	-	5.17	4.35	-	-	25.22	12.75	17.42	-	-
Environmental Lifestyle Activities	* -	-	-	1.44	-	1.71	-	1.76	-	1.50	-	-
Technological Lifestyle Activities	* 1.71	-	2.62	-	2.41	2.89	2.49	-	-	-	3.66	2.94
Personality: Neuroticism (3 items)	-	-	-	-	-	-	-	-	-	-	1.42	-
Personality: Openness (3 items)	-	-	-	-	-	-	-	-	-	-	-	-
Personality: Extroversion (3 items)	-	1.95	-	-	1.52	1.57	-	-	-	-	-	-
Personality: Agreeableness (3 items)	-	-	-	-	-	0.45	-	-	-	-	-	-
Personality: Conscientiousness (3 items)	0.48	-	0.61	-	-	-	-	-	0.65	1.73	-	-

Adopters of digital low-carbon innovations are ...
digitally skillful, environmentally active, technologically active
 ... compared to non-adopters

Four key mechanisms of innovation diffusion



1 People are different (heterogeneity)

- varying tolerance for uncertainty, personal situation
e.g., age, income, technophilia

2 Interpersonal transmission

- information exchange through social contact
e.g., word of mouth (WoM), peer effects

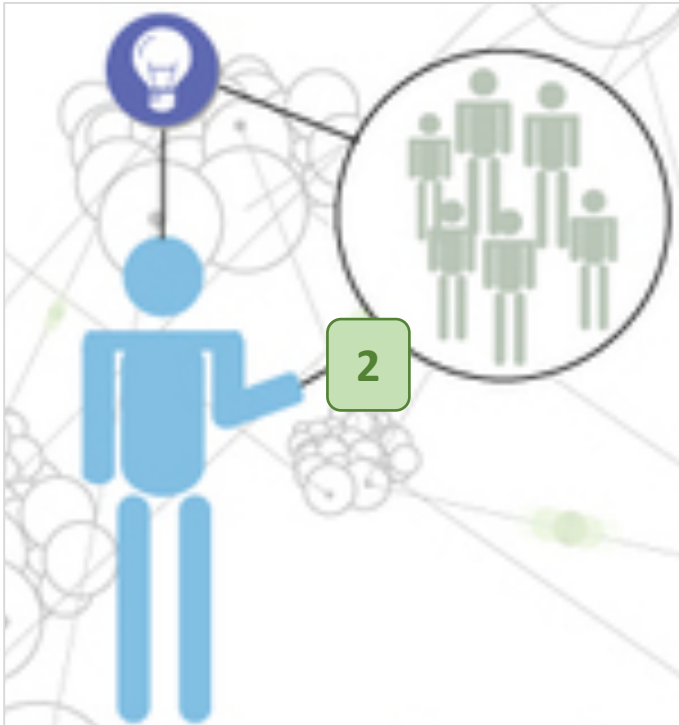
3 Social networks of interaction

- number, frequency and diversity of social interactions
e.g., travel & mixing

4 Attributes

- characteristics of innovation (which make it appealing)
e.g., ease of use, compatibility

Interpersonal exchange of information on low-carbon innovations = social influence.















word of mouth (WoM)
e-WoM
neighbourhood effects
social norms



meta-analysis of 21 studies of social influence on EV adoption:
all 4 mechanisms had similar effect sizes

Adopters differ from non-adopters in their exposure and receptiveness to social influence.

												
Independent Variables	CAR CLUBS	P2P CAR-SHARING	RIDE-SHARING	SHARED RIDE-HAILING	EVS	E-BIKES	DIGITAL FOOD HUBS	MEAL KITS	11TH HOUR APPS	SMART HOMES	SMART LIGHTING	SMART HOME APPLIANCES
INFORMATION FLOWS												
Domain Innovativeness (3 items)	2.63											
Social Influence (8 items)	4.51											
Info Sources Inter-Personal (4 types)	-											
Info Sources General Media (2 types)	-											

Adopters of car clubs...




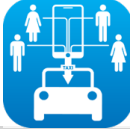










are more innovative (in a transport context),

receive more information through inter-personal exchange (about car clubs)

... compared to non-adopters,

but don't differ in how they seek information to shape their opinion

Adopters differ from non-adopters in their exposure and receptiveness to social influence.

												
Independent Variables	CAR CLUBS	P2P CAR-SHARING	RIDE-SHARING	SHARED RIDE-HAILING	EVS	E-BIKES	DIGITAL FOOD HUBS	MEAL KITS	11TH HOUR APPS	SMART HOMES	SMART LIGHTING	SMART HOME APPLIANCES
INFORMATION FLOWS												
Domain Innovativeness 	* 2.63	2.89	-	-	1.64	2.69	3.99	1.91	3.50	2.81	6.88	2.01
Social Influence 	* 4.51	-	2.57	2.31	7.66	2.49	-	1.89	1.52	2.13	-	1.46
Info Sources Inter-Personal (4 types)	-	1.79	2.34	-	-	-	-	-	-	0.40	-	-
Info Sources General Media (2 types)	-	-	0.56	-	-	-	-	-	-	2.12	-	-

Adopters of digital low-carbon innovations...

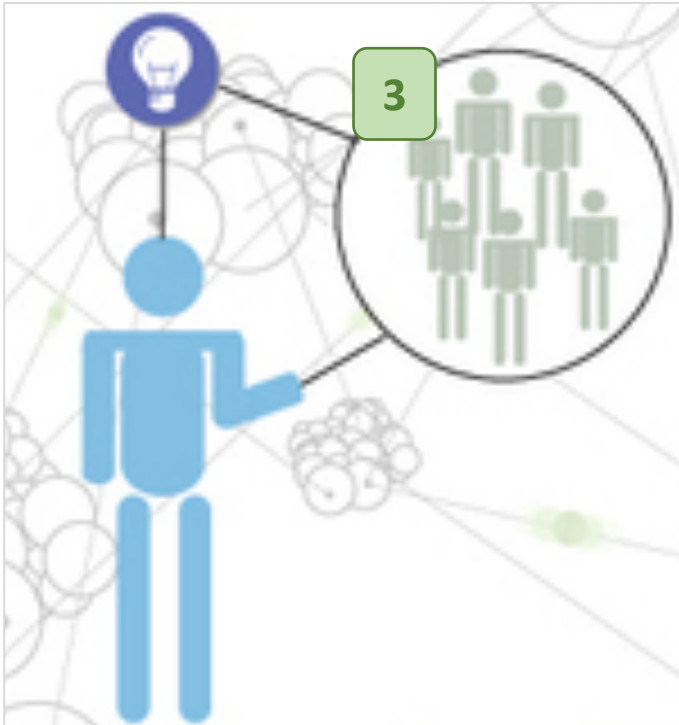
are more innovative (in a transport / food / homes context),

receive more information through inter-personal exchange (about the innovation)

... compared to non-adopters

but don't differ in how they seek information to shape their opinion

Four key mechanisms of innovation diffusion



1 People are different (heterogeneity)

- varying tolerance for uncertainty, personal situation
e.g., age, income, technophilia

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e.g., word of mouth (WoM), peer effects

3 Social networks of interaction

- number, frequency and diversity of social interactions
e.g., travel & mixing

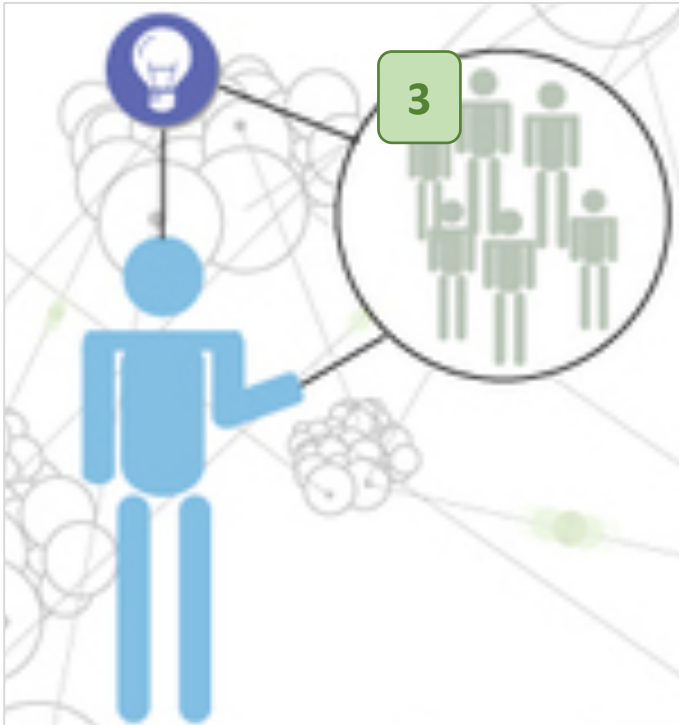
4 Attributes

- characteristics of innovation (which make it appealing)
e.g., ease of use, compatibility

Social network size & structure mediate flows of information between people.

“The slow pace of diffusion is often a result of network structures” (Valente 2010)

“Social network characteristics fundamentally impact the dynamic (communication) processes within” (Borgatti et al. 2014)

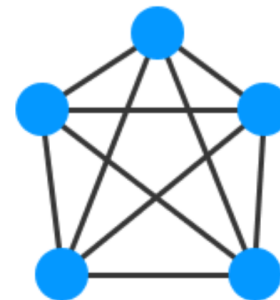


homophily

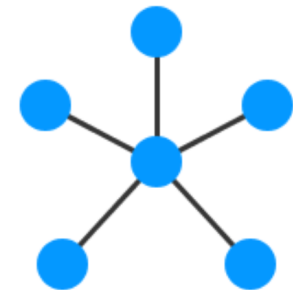
high



low



transitivity



Adopters differ from non-adopters in their use of social media... but not in their social networks.



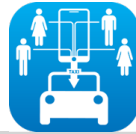
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P2P CAR-SHARING



RIDE-SHARING



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11TH HOUR
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SMART
HOMES



SMART
LIGHTING



SMART
HOME
APPLIANCES

Independent Variables

SOCIAL NETWORK STRUCTURE

Social Media Intensity (# types * hrs online)	1.15
Social Media Usage (hrs online)	-
Strong Ties (#)	-
Strong Ties Transitivity (Strong)	-
Strong Ties Homophily (Age)	-
Strong Ties Homophily (Income)	-
Strong Ties Homophily (Local)	-
Strong Ties Homophily (Family)	-
Weak Ties (#)	-

Adopters of car clubs...













have more diverse online networks (in general),

... compared to non-adopters

but have social networks of similar sizes, transitivity, and homophily (in general)



Adopters differ from non-adopters in their use of social media... but not in their social networks.

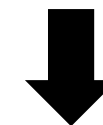
												
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SOCIAL NETWORK STRUCTURE												
Social Media Intensity (hours per week) *	1.15	-	1.09	1.06	1.20	1.11	1.13	-	1.08	1.17	1.12	1.20
Social Media Usage (hrs online)	-	3.95	-	-	-	-	-	1.65	-	-	-	-
Strong Ties (#)	-	0.87	-	-	-	0.83	-	-	-	-	-	-
Strong Ties Transitivity (Strong)	-	-	-	-	-	-	-	-	-	-	-	-
Strong Ties Homophily (Age)	-	0.38	-	-	-	0.31	-	-	-	-	-	-
Strong Ties Homophily (Income)	-	4.73	-	-	-	-	-	-	-	-	2.05	-
Strong Ties Homophily (Local)	-	3.06	-	-	-	-	-	-	-	-	-	-
Strong Ties Homophily (Family)	-	-	-	-	-	-	-	-	-	-	-	2.15
Weak Ties (#)	-	-	-	-	-	1.03	-	-	-	-	-	-

Adopters of digital low-carbon innovations ...

have more diverse online networks (in general),

... compared to non-adopters

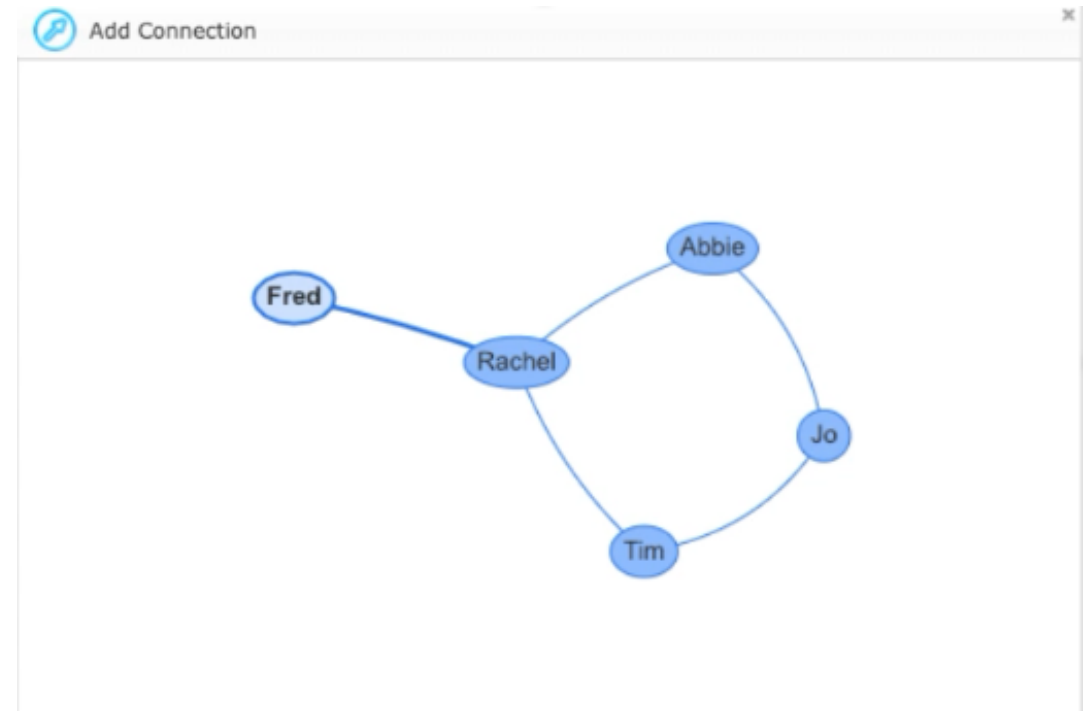
but have social networks of similar sizes, transitivity, and homophily (in general)



Mapping innovation-specific information flows makes the role of social networks clearer.

Looking back over the last six months, please tell us the first name or initials of up to 5 close friends.

Friend 1	<input type="text"/>
Friend 2	<input type="text"/>
Friend 3	<input type="text"/>
Friend 4	<input type="text"/>
Friend 5	<input type="text"/>



... generated 2850 alters from samples of 353 adopters and 360 non-adopters of smart home technologies



Mapping innovation-specific information flows makes the role of social networks clearer.



adopters



non-adopters

actively seek info from diverse sources
opinion leaders
communicate more about innovations

> ***
> ***
> ***

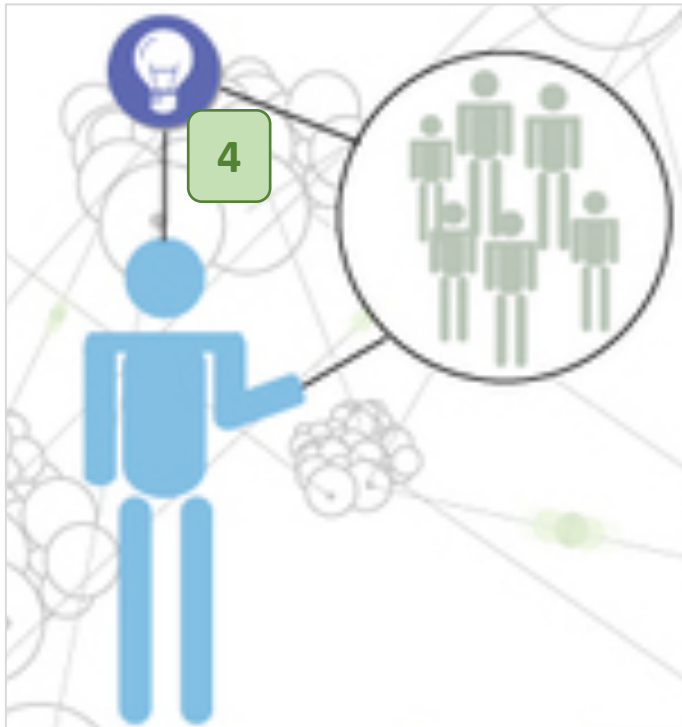
but
high transitivity (= cliquey)
high income homophily

opinions shaped
by strong ties ...

but 3 times less
likely to know
anyone with smart
home technology



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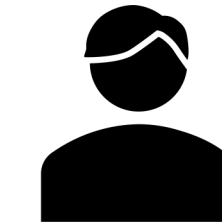
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SILCI
Social Influence and *disruptive* Low Carbon Innovations

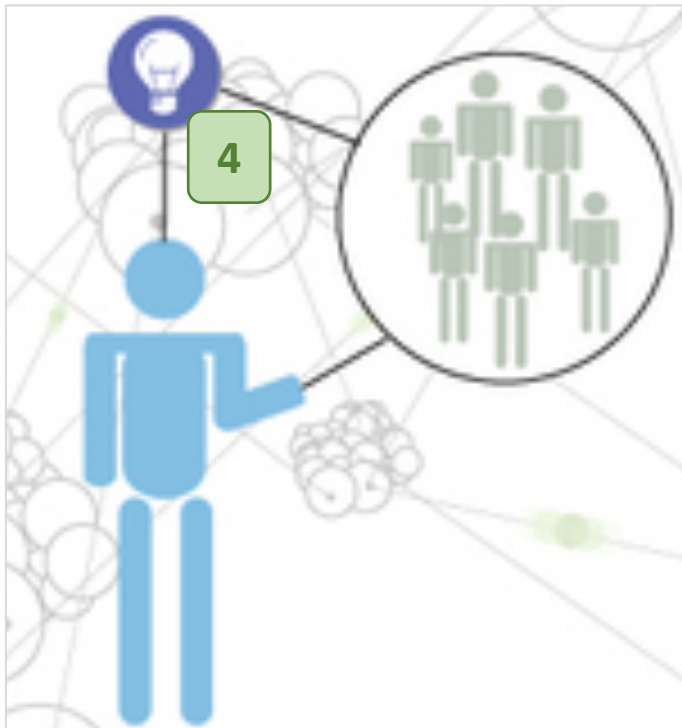


- relative advantage
- ease of use
- compatibility
- trialability
- observability
- climate benefits*

$\begin{matrix} & * & * & * \\ > & & & \end{matrix}$
 $\begin{matrix} & * & * & * \\ > & & & \end{matrix}$
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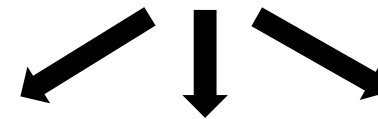


Do innovations with 'weak' attributes need more specific types of social influence? *No.*



relative advantage
ease of use
compatibility
trialability
observability

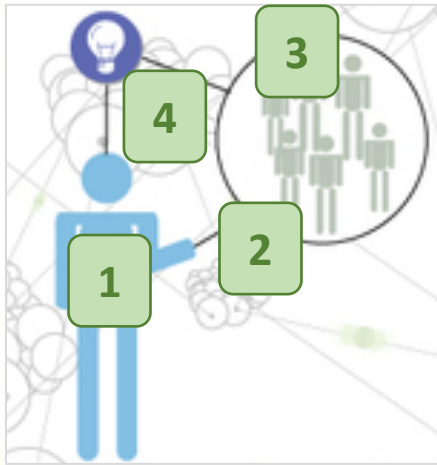
WoM (word of mouth)
eWoM
peer effects
social norms



no evident links between
specific attributes and
specific social influences



Summary of new evidence on the diffusion of digital low-carbon innovations



1 People are different (heterogeneity)

- adopters are younger, in employment, with higher digital skills
- adopters differentiate into innovators, egoistic techies, biospheric enviros

2 Transmission mechanisms

- adopters receive more social influence of all types (particularly eWoM)
- adopters have higher domain innovativeness (= opinion formers)

3 Social networks of interaction

- adopters have similar social network size & diversity (except online)
- info flows from adopters can get trapped in homophilous cliques

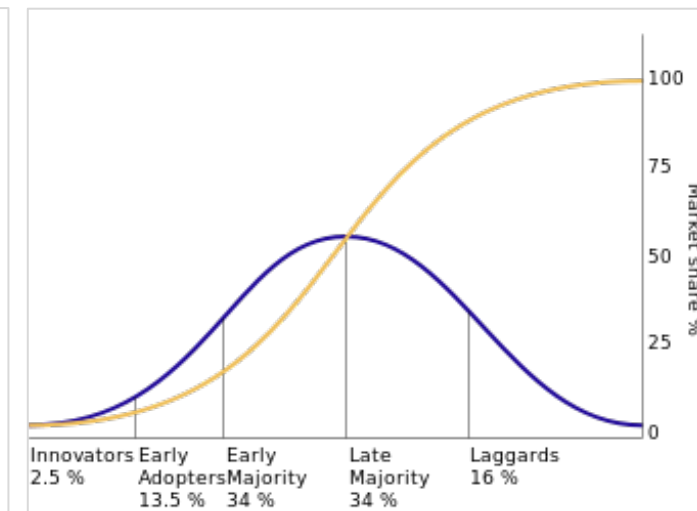
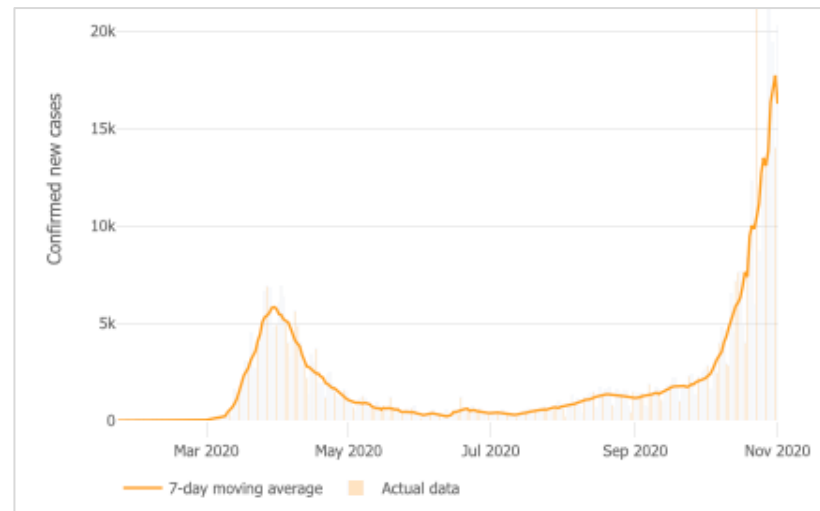
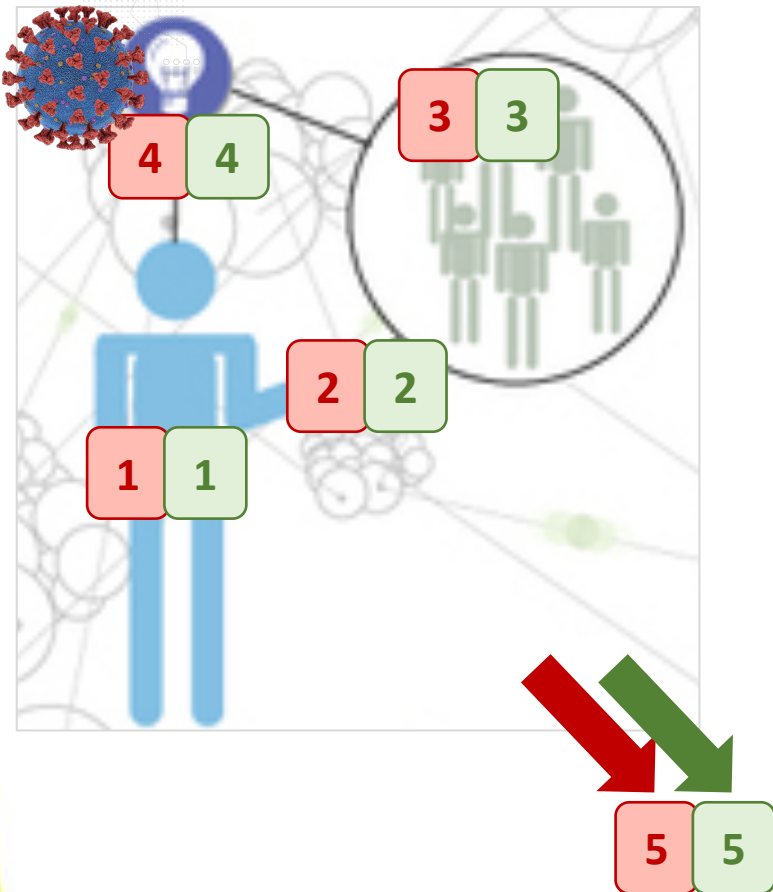
4 Attributes

- adopters perceive higher relative advantage, ease of use, compatibility
- non-core attributes differentiate appeal of innovations from mainstream

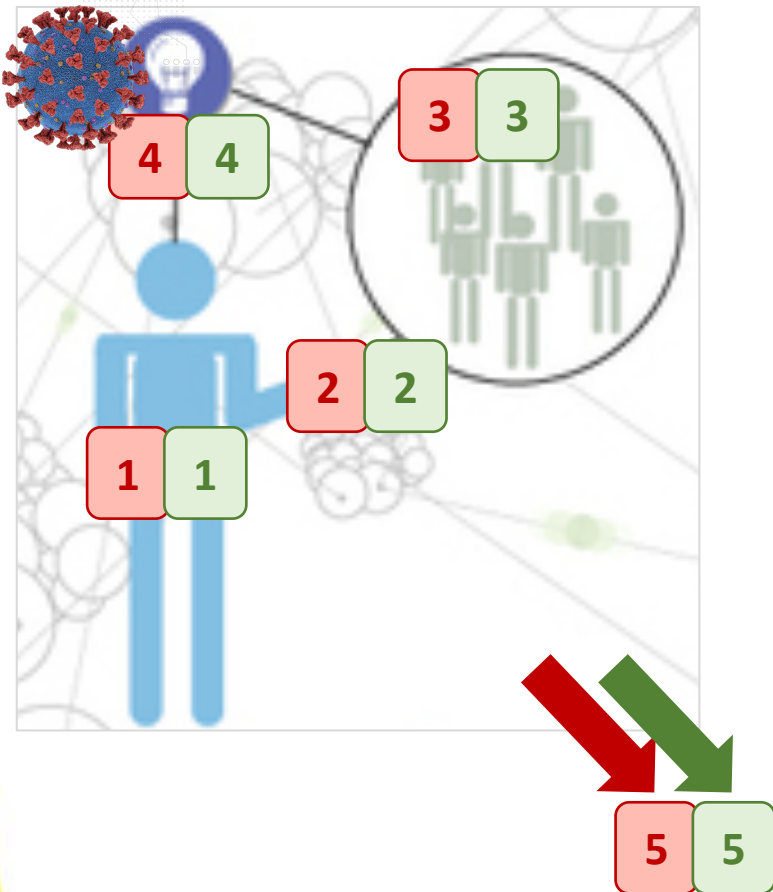
Overview of talk.

1. Potential climate benefits of digital consumer innovations
2. How new things spread
3. New evidence on the diffusion of digital low-carbon innovations
4. Implications

Mechanisms of **transmission** or **diffusion** determine outcomes (e.g., growth rates).



Mechanisms of **transmission** or **diffusion** also point to control measures.



HOW NEW THINGS SPREAD	SLOWING THE SPREAD (of coronavirus)	SPEEDING UP THE SPREAD (of digital low-carbon innovations)
People are different	isolate spreaders, protect vulnerable	recruit opinion leaders, incentivise early adopters
Inter-personal transmission	physical distancing, quarantine	neighbourhood schemes, (digital) open houses
Social networks of interaction	travel bans, rule of six	cross-national exchange, eWoM on social media
Attributes	<i>[indirectly – drugs, vaccines]</i>	product development, market differentiation

** if and when it's safe **

Social influence can accelerate *potential* climate benefits from widespread adoption ...

... so like other accelerants,
should be a target for public policy.

Social influence can accelerate *potential* climate benefits from widespread adoption ...

Global 2°C
scenarios

Technological
learning only

Social
learning only

Both types
of learning



‘social learning’ about an innovation (reducing perceived risk)

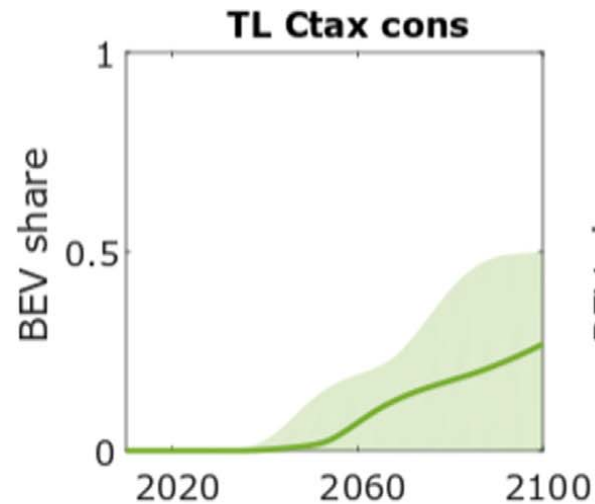
‘technological learning’ (reducing costs and improving performance)

Social influence can accelerate *potential* climate benefits from widespread adoption ...

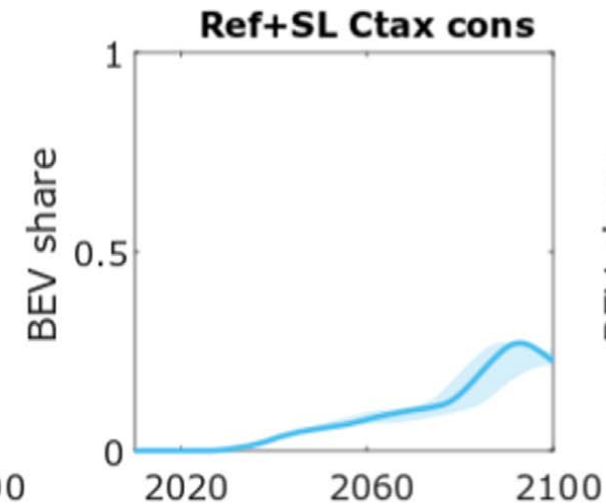
Global 2°C scenarios



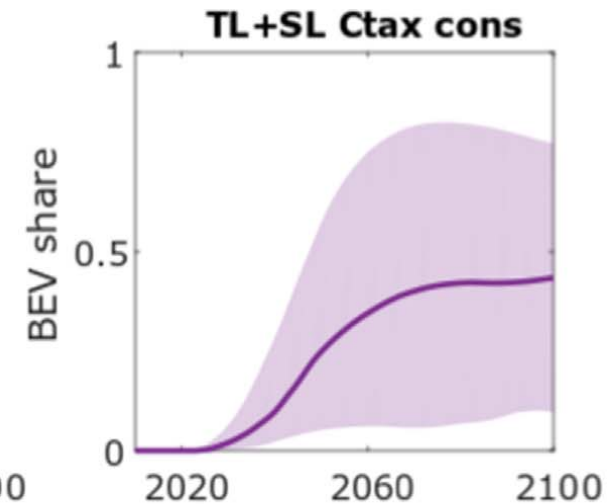
Technological learning only



Social learning only



Both types of learning



‘social learning’ about an innovation (reducing perceived risk)
+
‘technological learning’ (reducing costs and improving performance)
=
accelerated diffusion

How do new things spread?

The diffusion of digital low-carbon innovations



Oxford Energy Colloquium

November 2020

Charlie Wilson

silci.org